



USAID
FROM THE AMERICAN PEOPLE

INDONESIA

EFFECTIVE DEMOCRATIC AND DECENTRALIZED GOVERNANCE



Photo: USAID/DDG Office

"Look closer. Think deeper. Listen. Vote."

THE CHALLENGE

Years of centralized and, until 1998, autocratic governance have rendered democratic institutions weak and unprepared to carry out essential reforms.

Political parties have not lived up to initial expectations of providing effective democratic channels for constituent demands.

There is growing frustration with the government's inability to control major issues such as corruption and conflict.

THE GOAL

Consolidate the reform agenda.

Expand participatory, effective and accountable local governance.

Address conflict and encourage pluralism.

OVERVIEW

The U.S. government is providing \$195 million over five years (2004-2008) to support the Indonesian government and civic organizations in their efforts to build effective and accountable local governance, to address conflict and encourage pluralism, and to consolidate the democratic reform agenda.

PROGRAMS

LOCAL GOVERNANCE

The Local Governance Support Program (LGSP) will work with 100 local governments to strengthen the local legislative process, to engage citizens in planning and strategic decision-making, and to link participatory planning, performance budgeting and financial management to improve and effectively deliver basic services that meet citizens' needs. LGSP will work with local governments, local government associations and civil society organizations to increase the role of citizens in local decision-making, and improve communications between local governments and citizens to ensure transparency and accountability.

CONSOLIDATING DEMOCRATIC REFORMS

The Democratic Reform Support Program (DRSP) will support leading advocates of democratic reform from the public and private sector, and civil society to advance and safeguard key democratic reforms, including the rule of law, freedom of information, justice sector reform, free and fair elections and decentralization. DRSP will support the development of a framework to directly elect local government heads, provide technical assistance to key government agencies to improve decentralization legislation, support efforts to fight local level corruption and support efforts to implement special autonomy in Aceh and Papua. The Consortium for Electoral and Political Processes (CEPPS) partners will also support the national and local legislatures and the Regional Representative Council to implement key democratic reforms by working through the political parties. A new Rule of Law program will be designed to support justice sector reforms and anti-corruption efforts.

SUPPORT FOR PEACEFUL DEMOCRATIZATION

The Support for Peaceful Democratization Program (SPD) will assist local organizations to address violent conflict across Indonesia. SPD will focus on five main areas: training on conflict issues and responses; skills development in civilian-military affairs; livelihoods development in conflict areas; drafting and monitoring of relevant legislation; and emergency assistance to conflict-affected persons. A main focus continues to be Aceh province.

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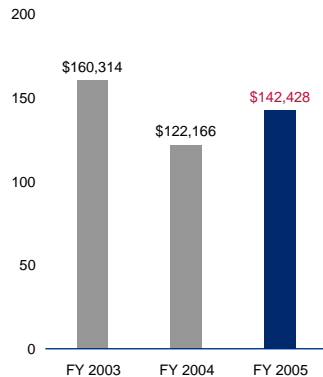


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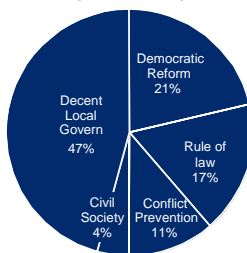
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USAID ASSISTANCE TO INDONESIA



Funding: Child Survival and Health Funds, Development Assistance, Economic Support Funds, PL 480 Title II (includes emergency and non-emergency food aid)

FY 2005 Budget for Democracy & Governance
Percentage for Each Program Area



Total FY 2005 for
Democracy & Governance: \$35,000,000

PROGRAM HIGHLIGHTS

Indonesia achieved a major milestone in its ongoing democratic transition by successfully carrying out nationwide legislative elections and its first ever direct Presidential elections in 2004. With 155 million registered voters and more than 575,000 polling stations, the Indonesia elections were the largest single day election in the world. USAID was the largest bilateral donor, providing \$25.2 million in direct support for Indonesia's elections, civil society monitoring and post election training.

With USAID assistance, the Supreme Court established and implemented its blueprint for comprehensive reforms, including a reduction in the backlog of cases, improving the quality and integrity of judges, publishing court decisions and modernizing the court information system.

In support of Indonesia's decentralization process, USAID has been a leading donor both at the national policy level and in terms of providing direct capacity building support to local governments. USAID assistance played a key role in assisting the Ministry of Finance to develop and implement revenue-sharing formulas and techniques that have ensured the continuity of funding for local governments. Local government associations demonstrated an ability to be effective advocates for meaningful reform that strengthen the legal framework for democratic, accountable local government. At the local level, approximately 100 local governments are now more open and responsive to citizen demands through the use of participatory planning and performance budgeting approaches. With USAID assistance local governments are also implementing measures to address corruption and increase the professionalism of the local civil service. To encourage the adoption of good practices, USAID assistance led to the establishment of an Indonesian Center for Local Government Innovation.

Shortly after the tsunami struck Aceh, the SPD program provided 40 small grants to support recovery and livelihood initiatives. Cash-for-work programs employed 31,082 beneficiaries to work 603,331 person days labor. Total cash to workers is \$2.2 million. An additional 17 grants supported a range of livelihood interventions. USAID also provided assistance to restore local government services in Aceh and ensured the civil society was part of the planning process for recovery and reconstruction. Beyond rapidly responding to ongoing conflicts and crises, USAID's assistance continues to target longer term goals of conflict mitigation and community transformation. In Maluku and Central Sulawesi, approximately 120,000 youth in a violence-prone area were targeted in a peace education activity.

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